

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

BERKSHIRE GAS COMPANY

D.T.E. 01-56

ATTORNEY GENERAL'S FIRST SET OF
DOCUMENT AND INFORMATION REQUESTS

- AG-1-1 Please provide a copy of each exhibit to be presented by the Company or any of its witnesses as it is prepared.
- AG-1-2 Please provide the following for the Company for the years 1993 through 2000 as they become available:
- (1) the 10-Ks;
 - (2) the 8-Ks;
 - (3) the Annual Reports to shareholders and bondholders;
 - (4) the U5s;
 - (5) the U-13-60s;
 - (6) the Proxy statements;
 - (7) the FERC Forms;
 - (8) the Annual Returns to the DPU/DTE;
 - (9) any auditor's reports;
 - (10) the five-year or ten-year financial and statistical summaries; and
 - (11) the consolidating statements.
- AG-1-3 Please provide for the 10-Qs and quarterly reports to bondholders and shareholders for the Company for the years 1999 through 2001 as they become available.
- AG-1-4 Please provide the prospectus distributed in anticipation of the most recent sale of any equity or debt by the Company.
- AG-1-5 Please provide a list or index, or any document which contains a list or index of the Company's periodic reports (i.e. monthly, quarterly) used internally.

- AG-1-6 Please provide the following information for the Company for each month of the years 1999 through the present:
- (1) the budgeted and actual monthly income statements;
 - (2) a Statement of Cash Flows; and
 - (3) the short-term debt balance, short-term interest expense and rate as well as a comparison of the short-term interest rate to the contemporaneous prime rate.
- AG-1-7 Please provide the following information for the years 1998 through 2000:
- (1) capitalization table for each of the affiliates of the Company showing the outstanding balances of capital, the capital ratios, and the costs of capital; and
 - (2) the annual balance sheets and income statements for each of the affiliates of the Company.
- AG-1-8 Please provide a copy of any and all management, organizational, construction, and performance audits of any kind of the Company and any of its affiliates performed by company personnel, contractors, consultants, any regulatory body, or any organization or individual whatsoever during the last five years.
- AG-1-9 Please provide copies of all speeches made by Berkshire Gas to its shareholders from January 1, 1998 to the present.
- AG-1-10 Please provide all statements and materials supplied by Energy East to financial analysts, securities analysts, rating agencies and utility groups from January 1, 1999 to the present.
- AG-1-11 Please provide all publications, rating announcements, etc., concerning the Energy East and its affiliates by Moody's, Standard & Poor's, Argus and other similar entities from January 1, 1999 through the present.
- AG-1-12 Please provide the earned return on average common equity for the twelve-month periods ending 12/31/98, 6/30/99, 12/31/99, 6/30/00, 12/31/00, and 6/30/01 for the Company and each of its affiliates.
- AG-1-13 Please provide the following information for the Company:
- (1) the most recent five-year sales volume forecasts for each of its customer classes;
 - (2) the most recent five-year financial forecast; and

- (3) the most recent projected financings for the next five years.
- AG-1-14 Please provide the following information for the Company for each of the quarters of 1999 through 2001:
- (1) the average book value per share of common stock for the quarter;
 - (2) the book value per share of the common stock at the end of the quarter; and
 - (3) the pre-tax interest coverage ratios for the previous twelve months.
- AG-1-15 Please provide Energy East's market-to-book ratio for each of the months of 1998 through 2001.
- AG-1-16 Please provide the debt and equity rating history for the years 1999 through 2001 for the Company and its affiliates.
- AG-1-17 Please provide the following items for the Company for each of the most recent five years:
- (1) the plant in service by account and the additions, retirements, transfers, and adjustments to each of those accounts;
 - (2) the year-end construction work in progress balances; and
 - (3) the land and rights-of-way by account.
- AG-1-18 Please provide a five-year forecast of the Company's construction budget by account.
- AG-1-19 Please provide capital authorization and closing reports for all projects begun or finished during the test year of \$10,000 or more in magnitude.
- AG-1-20 Please provide a breakdown of all properties sold or transferred from the Company's books since January 1992. For each transaction, please provide a schedule indicating the date the property was sold or transferred, the sales price, the book value at the time of sale or transfer, the gain or loss recorded on the Company's books, whether the property sold or transferred was included in a rate case filing, and whether the sale or transfer was made to an affiliated company. For each property sold or transferred to an affiliated company, please provide the fair market value at the time of the sale or transfer and provide the workpapers in support of the calculation of the fair market value.
- AG-1-21 Please itemize and quantify the Company's test-year end balance of Intangible Plant and Capitalized Lease. Please also provide an itemization and quantification of the costs associated with each that are included in the test year cost of service.

- AG-1-22 Please itemize and quantify all test year costs allocated or assigned to Plant Held For Future Use and Non-Utility Plant.
- AG-1-23 Please itemize and quantify all test year costs allocated or assigned to Construction Work In Progress.
- AG-1-24 Please provide the test year depreciation accrual rates and depreciation expense by plant account.
- AG-1-25 Please itemize and quantify all depreciation, income tax, property tax, equity return, or interest costs included in the Company's Operations and Maintenance Expense Accounts [Account Series 700, 800, 900].
- AG-1-26 Please provide all written contracts between the Company and its affiliates. Provide a narrative description of any unwritten contracts between the Company and any affiliate, including all material terms.
- AG-1-27 Please itemize all expenses from the Company allocated to any of the Company's affiliates. In your response, please include the expense account description, account number, allocation formula, all workpapers, calculations, assumptions and basis for assumptions for each expense allocated.
- AG-1-28 Please itemize all expenses allocated or assigned to the Company from each of its affiliates. In your response, please include the expense account description, account number, allocation formula, all workpapers, calculations, assumptions and basis for assumptions for each expense allocated.
- AG-1-29 Please itemize all rent revenue and all rent expense items incurred during the test year that were greater than \$5,000.
- AG-1-30 Please provide the total revenues received from the rental of appliances. Please describe the types of appliances rented and whether the Company is treating such revenues above or below the line. In addition, describe the method of allocating expenses to the appliance rental program.

- AG-1-31 Please itemize and quantify all extraordinary income booked by the Company during the test year.
- AG-1-32 Please describe the types of new service offerings being developed by the Company. In responding to this question, please provide a detailed description of the new service being developed or being considered by the Company for future development. New services can be defined as any new product or service which will be provided by the Company and will be available to consumers for a fee or be made available to the public free of charge (e.g. equipment sales, rentals, or service; conservation and load management services; energy audits or advice).
- AG-1-33 Please provide a breakdown of the test year Miscellaneous Revenues by source. Please also provide the amount of expenses by account associated with generating these miscellaneous revenues.
- AG-1-34 Please provide a chart of accounts for the Company for the test year and the twelve month periods ended 12/31/99 and 12/31/00. Please include subaccounts, titles to the subaccounts, and balances of the subaccounts.
- AG-1-35 Please itemize and quantify all Company employee bonuses and incentive compensation plan payments incurred during the test year.
- AG-1-36 Please itemize and quantify for each Company management employee and officer the compensation and benefits including bonuses paid to each management employee and officer during the test year.
- AG-1-37 Please explain the corporate policy on Company employee and officer use of Company vehicles, noting the make, model, year, and original cost or annual lease expense of the Company vehicle used by each officer. Please also indicate whether any directors, officers or other employees of the Company have Company supplied chauffeurs and the test year costs of those chauffeurs.
- AG-1-38 Please provide for each Company officer and director of the corporation a complete copy of the record of expenses for which each was reimbursed by the Company since January 1, 1999. Please also provide a complete accounting of the services and goods (air travel, hotel accommodations, meals, etc.) that the Company provided directly to each such officer or director including an indication of the amount of each of those reimbursed expenses that was included in the test year cost of service.

- AG-1-39 Please provide the following for the test year and 1999 for each employee, officer, director, shareholder or investor of the Company applicable:
- (1) the amount(s) of all loans or forgiveness of debts provided by the Company to such individual;
 - (2) the type(s) and cost(s) of all services provided by the Company to such individual; and
 - (3) the type(s) and cost(s) of all products provided by the Company to such individual.
- AG-1-40 Please provide both the dollar amount and percent capitalized of the wages and salaries and of each of the employee benefits for the each of the last five years including the test year.
- AG-1-41 Please provide a ten-year history of wage and salary increases for each of the employee groups (e.g. union, clerical, management).
- AG-1-42 Please provide a copy of all employee wage contracts in effect during the test year and those signed since the test year.
- AG-1-43 Please provide a timing schedule of the wage and salary increases for each employee group in each of the last five years (e.g. union, clerical, management).
- AG-1-44 Please provide the number of Company employees at the end of each month for the years 1993 through 2001 by employee group (e.g. union, clerical, management).
- AG-1-45 Please provide the total amount of deferred salaries and wages incurred during the test year and the twelve months previous to the test year as well as the total salaries and wages for each of those periods.
- AG-1-46 Please provide the annual percentage of overtime hours worked compared to total hours worked for each of the last five calendar years and for the test year. Please also provide the total expense associated with overtime wages and salaries incurred during the test year.
- AG-1-47 Please provide the total amount of vacation pay accrued which was:
- (1) booked during the test year as an expense; and
 - (2) included in the cost of service in this case.
- If (1) is different from (2), please explain.

- AG-1-48 Please indicate whether the Company incurred any labor disruption costs during the test year, and, if so, please provide for each such disruption:
- (1) the date the disruption commenced;
 - (2) the date the disruption concluded;
 - (3) the nature of operations affected;
 - (4) the estimated cost of the disruption;
 - (5) the basis for calculating the estimated cost of disruption; and
 - (6) the accounting treatment given the costs of each disruption.
- AG-1-49 Please provide the latest actuarial reports used to determine the Company's pension cost and post retirement benefits other than pension cost.
- AG-1-50 Please provide the following information regarding the Company's pension plan and post retirement benefits other than pension plan (separately):
- (1) the amount of expense included in the test year as well as the basis for that amount;
 - (2) the amount of cash contribution to the trust fund made during the test year;
 - (3) the test year-end amount of total accumulated pension benefit obligation (vested and non-vested);
 - (4) the test year-end amount of total projected benefit obligation (vested and non-vested); and
 - (5) the market value of the test year-end trust fund assets.
- AG-1-51 Please provide a breakdown of the test year expense, for all non-pension benefits available to employees. For each benefit, include a detailed description of the benefit and the conditions that each employee must meet to be entitled to the benefit.
- AG-1-52 Please provide the average health care cost per employee incurred by the Company during the test year. Please also provide the average pro forma health care cost included in the Company's cost of service.
- AG-1-53 Please provide a complete and detailed description of the methods that the Company is using to reduce its health care costs.
- AG-1-54 Please provide an itemized list of all vehicles leased or purchased by the Company. For each vehicle, please provide the make, model, year, and rental charge or original book value.

- AG-1-55 Please provide an itemized list of all aircraft and watercraft leased or purchased by the Company. For each aircraft and watercraft, please provide the make, model, year, rental charge and original book value.
- AG-1-56 Please provide an itemized list of all food, beverage, entertainment, and travel costs included in the test year cost of service in excess of \$500. Please also provide for each item, the date, location, number of employees attending, number of non-employees attending, and the nature of the event.
- AG-1-57 Please provide an itemized list of all membership fees expensed by the Company during the test year. Please provide for each membership the name and nature of the organization, and the expense amount included in the test year cost of service.
- AG-1-58 Please itemize and quantify the test year costs included in Account 922 -- Administrative Expenses Transferred.
- AG-1-59 Please itemize and quantify all conservation and load management costs incurred by the Company during the test year. Please also provide a complete accounting of test year costs including an indication of the amounts of each activity's costs that are included in the test year cost of service.
- AG-1-60 Please itemize and quantify all environmental cleanup costs incurred by the Company during the test year. Please also provide a complete accounting of test year costs including an indication of the amounts of each activity's costs that are included in the test year cost of service.
- AG-1-61 Please provide the following information for each production unit outage cost included in the cost of service:
- (1) an itemization and quantification of the budgeted costs that were expected to be incurred before the outage began;
 - (2) an itemization and quantification of the outage costs incurred by the Company during the outage;
 - (3) a variance analysis of the difference between the budgeted and actual costs that provides a complete and detailed description of the reasons for each variance; and
 - (4) a complete accounting of the costs of the outage including an indication of the amounts of each outage's costs that were capitalized and the amounts that were expensed and included in the test year cost of service.
- AG-1-62 Please provide the amount of gas cost that is embedded in the Company's test year base rates. Please also provide the amount of gas cost that is embedded in the

Company's pro forma base rates.

AG-1-63 Please provide the amount of storm damage costs incurred in the test year and:

- (1) the amount booked in the test year (by account);
- (2) the amount included in the cost of service;
- (3) the amount expensed in labor accounts;
- (4) the amount of overtime expensed to labor accounts; and
- (5) the amount incurred for outside services.

AG-1-64 Please provide the following information regarding the Company's insurance policies:

- (1) a breakdown of the insurance expenses recorded in the test year and, for each insurance expense, please provide a detailed explanation for any differences between the expense amounts included in the test year and the insurance premiums paid during the test year;
- (2) the invoices for the insurance premiums paid during the test year and, if the Company only pays a portion of the insurance expense, please provide a summary of each insurance invoice showing the total expense and the Company's allocated portion of the expense;
- (3) if any insurance expense (including premiums) recorded in the test year cost of service have been allocated or assigned to the Company from any affiliate, please indicate the amount allocated or assigned and the method of assignment and provide copies of all policies for which expenses are allocated or assigned; and
- (4) an itemization and quantification of any insurance proceeds (e.g. reimbursements, recoveries, refunds, distributions, adjustments) received by the Company during or since the test year, along with a complete and detailed description of the accounting treatment given those proceeds.

AG-1-65 Please provide any insurance policies and test year expense relating to "key man" insurance where the Company or its affiliate is a beneficiary.

AG-1-66 Please provide a complete and detailed description of each self-insurance procedure that the Company has in effect. For each, please provide (but do not limit the response to) the following information:

- (1) a description of the nature of the risks being insured;
- (2) a test year accounting of the self-insurance plan costs including the test year beginning and ending reserve balance and an itemization of the debits and the credits to the reserve during the test year as well as a five-year history of the

- debits and credits to that reserve; and
- (3) a complete and detailed description of the methodology used to determine the test year insurance expense including all calculation, formulas, assumptions, and workpapers.

- AG-1-67 Please provide copies of invoices for all lease type expenses paid during the test year. (If the Company only pays a portion of the total lease expense, please provide a summary of each lease invoice showing the total lease expense and the Company's allocated portion of the expense.) Please also indicate when each lease expires.
- AG-1-68 Please provide a detailed breakdown of the Company's test year-end miscellaneous deferred debits. Please also indicate the amounts and the accounts that were charged when the deferred debits were credited.
- AG-1-69 Please set forth the accounting information concerning all out-of-period book adjustments made to book entries for the calendar years 1998 and 1999, and the twelve months included in the test year.
- AG-1-70 Please provide a detailed breakdown of the Company's test-year end other deferred credits. Please also indicate the amounts and the accounts that were charged when the deferred credits were debited.
- AG-1-71 Please itemize and quantify the costs of the Company's Outside Services Employed during the test year.
- AG-1-72 Please provide for each of the last three years the gross write-offs and recoveries for each customer class.
- AG-1-73 Please identify all test year uncollectible write-offs amounting individually to \$1000 or more. Provide a comparison between the test year and the three previous years as to the sum of write-offs of this magnitude during each year.
- AG-1-74 Please provide a detailed description of the Company's accounting policy governing the write-off of accounts receivable during the test year and the previous two years.
- AG-1-75 Please provide a detailed description of the Company's method of accounting for unbilled revenues. Please also provide a complete and detailed description of the formula used to determine the amount of test-year end unbilled revenue.
- AG-1-76 Please itemize by account and amount all advertising and media-related costs included in the cost of service. Please also include a copy of each and every advertisement and

the cost of each.

- AG-1-77 Please itemize the amounts of donations made to charitable organizations during the test year.
- AG-1-78 Please itemize the amounts of lobbying expenses included in the test year. For purposes of this request, use the Department's broad definition of lobbying activities (including broad support of legislative activities) (see, e.g., D.P.U. 1720, p. 75; D.P.U. 86-33-G, p. 101).
- AG-1-79 Please itemize and quantify the costs associated with any shareholder services or dividend reinvestment programs expensed during the test year.
- AG-1-80 Please indicate the test year amount paid to the American Gas Association, EEI, and EPRI by the Company or paid by an affiliate and allocated to the Company. Please also breakdown the expense into membership dues and other items, identifying each area of expense.
- AG-1-81 Please provide test year expenses relating to corporate identification. Please itemize all test year expenses relating to any Company name changes, logo changes, notices of new service centers, and any expense relating to the Company's name being printed on "give-a-way" items, such as mugs, shirts, etc..
- AG-1-82 Please indicate the number of complaints received by the Company relating to service quality or billing during the test year and during the calendar years 1998 and 1999.
- AG-1-83 Please provide in list form the details of all judgments and/or settlements resulting from suits brought which involved the Company as a defendant, which resulted in the Company, during the test year, paying or agreeing to pay or being ordered to pay an amount in excess of \$1,000, including but not limited to the case name, the date filed, the date of settlement or the date of judgment and the amount the Company was ordered or agreed to pay. Provide this information even if appeals are pending and note every instance of an appeal.
- AG-1-84 Please provide in list form the details of all warranty claims the Company has pending including but not limited to the amount being sought, the manufacturer, the date the claim was submitted, the specific item(s) under warranty and a copy of all communications between the Company and/or its legal counsel and the manufacturer and/or the insurer.

- AG-1-85 Please provide in list form the details of all legal suits presently pending in which the Company is a defendant including but not limited to the case name, the date of the filing of the case, the amount of relief sought, and the nature of the case.
- AG-1-86 Please provide in list form the details of all legal suits presently pending which have been filed by the Company and/or which involve the Company.
- AG-1-87 Please provide in list form all fines and/or penalties paid or agreed to be paid in whole or in part by the Company during the test year including the nature of each such fine or penalty, the date assessed, and the entity assessing the Company. Provide this information even if appeals are pending and note every instance of an appeal.
- AG-1-88 Please provide by community, the Company's test year property taxes in cost of service, assessed valuation, and property tax rate.
- AG-1-89 Please provide the amount of tax abatements received by year for the last five years. Please also provide the journal entries that were used to record each abatement.
- AG-1-90 Please set forth the total dollar amount of property tax abatements which would result should all of the Company's presently pending abatement requests be granted (Note: If an exact total cannot be supplied provide the Company's best estimate).
- AG-1-91 Please provide Federal and State Income Tax Forms for the Company and its affiliates for the years 1999 and 2000. If the 2000 tax form is not prepared please provide the current best estimate of the Schedule M numbers for 2000.
- AG-1-92 Please provide the derivation of all income tax rates used to derive the Company's (1) test year income taxes and (2) pro forma income taxes.
- AG-1-93 Please indicate whether the Company uses normalization accounting for all book/tax timing differences.
- AG-1-94 Please provide the Company's residual operation and maintenance expense balances by account for the test year and each of the proceeding five years.
- AG-1-95 Please provide copies of all responses to Information Requests provided by the Company in this proceeding.

Dated: July 27, 2001